

Exhibit 17
Affidavit of Carter Volle
April 2018

1 **BARBARA LAWALL**
2 **PIMA COUNTY ATTORNEY**
3 **CIVIL DIVISION**
4 Regina L. Nassen, SBN 014574
5 Andrew L. Flagg SBN 25889
6 Deputy County Attorneys
7 32 North Stone Avenue, Suite 2100
8 Tucson, Arizona 85701
9 Telephone: 520-724-5700
10 Regina.Nassen@pcao.pima.gov
11 Andrew.Flagg@pcao.pima.gov
12 *Attorneys for Defendants*

8 **ARIZONA SUPERIOR COURT**
9 **PIMA COUNTY**

10 Richard Rodgers, et al.,
11 Plaintiffs,

12 vs.

13 Charles H. Huckelberry, et al.,
14 Defendants.

Case No. C20161761

AFFIDAVIT OF CARTER VOLLE

(The Honorable Catherine Woods)

15 STATE OF ARIZONA)
16 County of Pima) ss.

17 Carter L. Volle, being first duly sworn, upon his oath, deposes and states as follows:

18 1. I am employed as New Building Services Architectural Manager with the
19 Pima County Facilities Management Department. I am a Registered Architect in the State
20 of Arizona. I make this Affidavit based on my personal knowledge.

21 2. I was assigned as the Project Manager for the Facilities Management
22 Department for Project Curvature, overseeing the design and construction of the Facility
23 and SpacePort located on the County-owned parcel addressed at 1805 E. Aerospace
24 Parkway, Tucson, AZ 85756.

25 3. As part of my duties, I was responsible for tracking costs incurred as part of
26 the design and construction of the Facility and SpacePort. I am familiar with the contracts

1 for design and construction of the Facility and SpacePort and the amounts invoiced and
2 paid under those contracts.

3 4. For purposes of tracking expenditures, the Facility and SpacePort were
4 divided into two separate "projects." The Facility was assigned project number
5 CFM.XPCWV1, and the SpacePort was assigned project number CFM.XPCWV2. Design
6 and construction costs incurred for the Facility were accounted for within project number
7 CFM.XPCWV1, and design and construction costs associated with the SpacePort were
8 accounted for within project number CFM.XPCWV2. The portion of design costs allocated
9 to the SpacePort is an estimate provided by Swaim Associates because design costs were
10 not separately itemized in the design process.

11 5. Pima County has made final payment to both Swaim Associates ("Swaim")
12 and Barker Morrissey Contracting (now known as Barker Contracting) ("Barker") for both
13 projects CFM.XPCWV1 and CFM.XPCWV2.

14 6. Design and construction of the Facility and SpacePort have been completed,
15 and projects CFM.XPCWV1 and CFM.XPCWV2 are now "closed out."

16 7. Pima County paid a total of \$667,709 to Swaim for projects CFM.XPCWV1
17 and CFM.XPCWV2.

18 8. Pima County paid a total of \$12,334,531 to Barker for projects
19 CFM.XPCWV1 and CFM.XPCWV2.

20 9. Pima County anticipates *no* further payments to Swaim or Barker for either
21 project CFM.XPCWV1 or CFM.XPCWV2.

22 10. Below is a true and accurate final accounting for projects CFM.XPCWV1
23 and CFM.XPCWV2:
24
25
26

CFM.XPCWV1-Project Curvature - World View / XPCWV2-Pima County SpacePort

Final Accounting

April 10, 2018

	World View XPCWV1	SpacePort XPCWV2	TOTAL
TOTAL FINAL PROJECT EXPENDITURES	\$13,107,722	\$2,179,369	\$15,287,091
DESIGN	\$977,514	\$50,000	\$1,027,514
A/E Services Contract (Swaim Associates)	\$617,709	\$50,000	\$667,709
Permits	\$218,570	\$0	\$218,570
Roadway Engineering Services (AECOM Technical Services)	\$68,003	\$0	\$68,003
Materials Testing Services (Terracon Consultants)	\$53,497	\$0	\$53,497
Pima County Administrative Costs	\$19,735	\$0	\$19,735
CONSTRUCTION	\$10,959,030	\$2,129,369	\$13,088,399
Construction Manager at Risk Contract (Barker Contracting) ¹	\$10,354,098	\$1,980,433	\$12,334,531
Furniture & Equipment provided by the County	\$501,750	\$148,936	\$650,686
Pima County Administrative Costs	\$75,509	\$0	\$75,509
Other Construction	\$27,673	\$0	\$27,673
OFF-SITE UTILITY IMPROVEMENTS	\$1,171,178	\$0	\$1,171,178
Tucson Electric Power Contract	\$218,540	\$0	\$218,540
Dry Utility Joint Trench Infrastructure ²	\$402,847	\$0	\$402,847
Tucson Water ³	\$549,791	\$0	\$549,791


¹ Includes \$225,875 purchased by the contractor for the Theratron unit. This technically should be accounted for in the Furniture and Equipment line item.

² Includes \$48,928 reimbursed to the County from Cox Communications

³ Includes \$535,121 reimpursed to the County from Tucson Water


Carter L. Volle, R.A.

SUBSCRIBED AND SWORN TO before me on April 30, 2018, by Carter L. Volle.


Notary Public

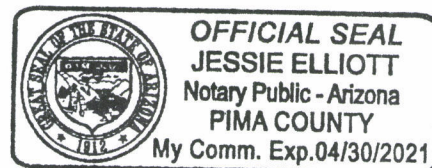


Exhibit 18
March 28, 2016 Letter from Goldwater
Institute

GOLDWATER

I N S T I T U T E

Where freedom wins.

March 28, 2016

Sharon Bronson, Chair, Supervisor District 3
Pima County Board of Supervisors
130 W. Congress St., 11th Fl.
Tucson, AZ 85701
Fax: (520) 884-1152

VIA U.S. MAIL & FAX

Re: Pima County's Subsidy to World View Enterprises

Dear Chairperson Bronson:

The Goldwater Institute has learned that the Pima County Board of Supervisors approved an agreement with World View Enterprises, Inc. on January 19, 2016, in which the County obligated at least \$15 million in public funds to construct a high-altitude balloon facility for World View's use and benefit.

To pay for this project, the County has approved new Certificates of Participation (COPs)—debt that the County expects to repay over the course of 15 years. The COPs are essentially second mortgages on several public buildings, including the Public Works Building and parking garage, the Legal Services Building, the Public Service Center and parking garage, and the Adult Detention Center. This financing scheme adds \$15 million in long-term debt to the County's existing liabilities, extends repayment of existing COPs, and risks Pima County's critical infrastructure on a speculative and untested business. In addition to constructing a 135,000 square-foot headquarters for World View, the County has also agreed to build a balloon pad that World View will control and use rent free.

Because the County is lending its credit in aid of a private corporation in the one instance, and subsidizing construction and use of the balloon pad in the other, this agreement violates the Gift Clause of the Arizona Constitution (Art. IX, sec. 7), which makes it illegal for the County to "give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any . . . corporation." The Arizona Supreme Court has held that public expenditures must be for public purposes and if public expenditures create private benefits, the government must receive fair consideration in return. Moreover, indirect benefits—such as general economic

improvement—are not consideration under the Gift Clause. *See Turken v. Gorden*, 223 Ariz. 342, 224 P.3d 158 (2010).

This agreement serves no public purpose. World View will charge \$75,000 for balloon rides to the stratosphere—three times the average per capita income in Pima County. This is beyond the reach of most residents, and will only benefit extremely wealthy passengers and World View itself—if it ever begins operations—at the taxpayers’ expense. Moreover, the jobs that World View has said it might create provide no direct benefit to the County, or its residents. These factors are doubtless why the County’s voters overwhelmingly rejected public subsidies for economic development and tourism promotion in November.

Nor is the consideration fair to taxpayers. The County is using public credit to finance this project at taxpayer risk while a private corporation enjoys the benefits of the bargain risk-free. Although World View will lease the building with an option to buy, this is an unlawful lease because County taxpayers are left with a \$15 million bill should World View default. The County doesn’t even expect a return on its investment until the 18th year of its 20-year agreement, and given the speculative nature of World View’s business—it has never given a ride to a single passenger—it is doubtful that World View will remain financially viable.

But even if World View were to succeed and either fulfill the lease or purchase the building, the consideration the County will receive is inadequate. The County will, at best, recover its investment capital plus a profit that is less than other, safer investments would produce—all while subjecting taxpayers to enormous risks. Moreover, World View will have the exclusive right to control the balloon pad, including the ability to charge rent to other space balloon companies. At most, the County will receive the cost of maintenance for the balloon pad.

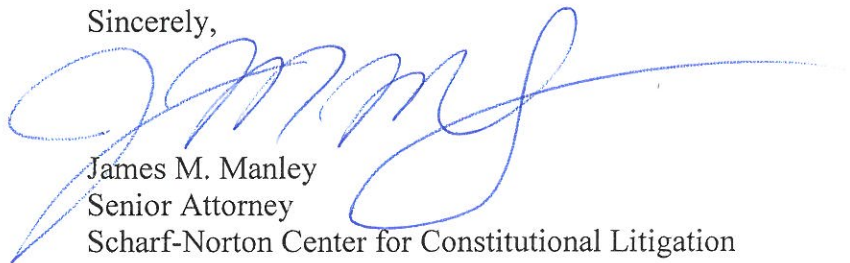
This agreement also violates Arizona law and the Pima County Procurement Code. The County consulted in secret with Swaim Associates, Ltd., and Barker Morrissey Contracting, Inc., for at least six months before seeking approval to contract with them for design and construction of the balloon pad and facilities. The County then awarded both contracts to these corporations without competitive bidding, by claiming that an “emergency” existed under A.R.S. § 34-606. There was no emergency. The County simply set an expedited timeline, and then used that deadline to claim that there was insufficient time for legally mandated competitive bidding. This is unlawful, and is an affront to taxpayers who will be forced to shoulder the financial burden for the County’s defiance of competitive bidding laws and the Arizona Constitution.

Because the County entered into illegal contracts with World View, Swaim Associates, and Barker Morrissey, the Goldwater Institute respectfully requests that the County terminate the agreements and cancel the related COPs. Should the County ignore this request, it will be liable to a constitutional and statutory challenge by County taxpayers to enjoin these illegal expenditures.

We appreciate your thoughtful consideration of these matters and look forward to receiving a response no later than **April 8, 2016**.

If you have any questions in the meantime, please do not hesitate to contact me directly at jmanley@goldwaterinstitute.org or (602) 462-5000.

Sincerely,



James M. Manley
Senior Attorney
Scharf-Norton Center for Constitutional Litigation
at the Goldwater Institute

cc. Ally Miller (Supervisor, District 1)
Ramón Valadez (Supervisor, District 2)
Ray Carroll (Supervisor, District 4)
Richard Elías (Supervisor, District 5)
Chuck Huckelberry (County Administrator)
Robin Brigode (Clerk of the Board)\
Barbara LaWall (Pima County Attorney)

Exhibit 19

Letter from C. Huckelberry to J. Poynter, 10/23/15



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
130 W. CONGRESS, FLOOR 10, TUCSON, AZ 85701-1317
(520) 724-8661 FAX (520) 724-8171

C.H. HUCKELBERRY
County Administrator

October 23, 2015

Jane Poynter, CEO
World View Enterprises Inc.
4605 S. Palo Verde, Suite 605
Tucson, Arizona 85714

Re: **World View Lease/Purchase Proposal**

Dear Ms. Poynter:

I understand World View desires to locate a manufacturing office/launch site for their business operations related to development of sub-orbital space flight using high altitude balloon technology.

The location for this proposed facility is in the County Aerospace, Defense and Technology Business and Research Park. The approximate location is shown in Exhibit 1 and includes approximately 28 acres of property off the newly constructed Aerospace Parkway.

A new building consisting of approximately 135,000 square feet is proposed for a manufacturing facility, which will contain a 25,000 square foot mezzanine and 10,000 square feet of open architecture office space. It is assumed the cost to purchase the property, build the facility, connect to all necessary utilities and provide minimal building fixtures, furniture and equipment will be approximately \$15 million.

Pima County proposes that World View lease/purchase such a facility from the County in accordance with the rent schedule and payments outlined below. The schedule assumes occupancy of the building in 2017 and the term of the lease/purchase agreement to be 20 years, with rent graduating from the initial 5-year period at \$5 per square foot to \$12 per square foot at the end of the 20-year lease in 2037. The table below shows the incremental lease rates for the 20-year period.

Ms. Jane Poynter
Re: World View Lease/Purchase Proposal
October 23, 2015
Page 2

Incremental Lease Rates, 20-year Period.	
Lease Increment	Rate Per Square Foot
Years 1 through 5	
Years 6 through 10	
Years 11 through 15	
Years 16 through 20	


The County would construct and finance the facility and lease it to World View in accordance the above rent schedule. In consideration of providing the facility to World View on a lease/purchase basis, the County would require the following employment and average income obligations over the term of the lease:

- Upon opening of the facility, employ at least 100 employees with an average annual salary of \$50,000;
- at the beginning of the 5th year, employ 200 employees at an average salary of \$50,000;
- at the beginning of the 10th year, employ 300 employees with an average annual salary of \$55,000; and
- at the beginning of the 15th year, employ 400 employees at an average annual salary of \$60,000.

The attached Exhibits 2 and 3 are an architect's concept rendering and a conceptual site plan for the proposed facility.

I look forward to discussing this proposal with you at our meeting on October 27, 2015.

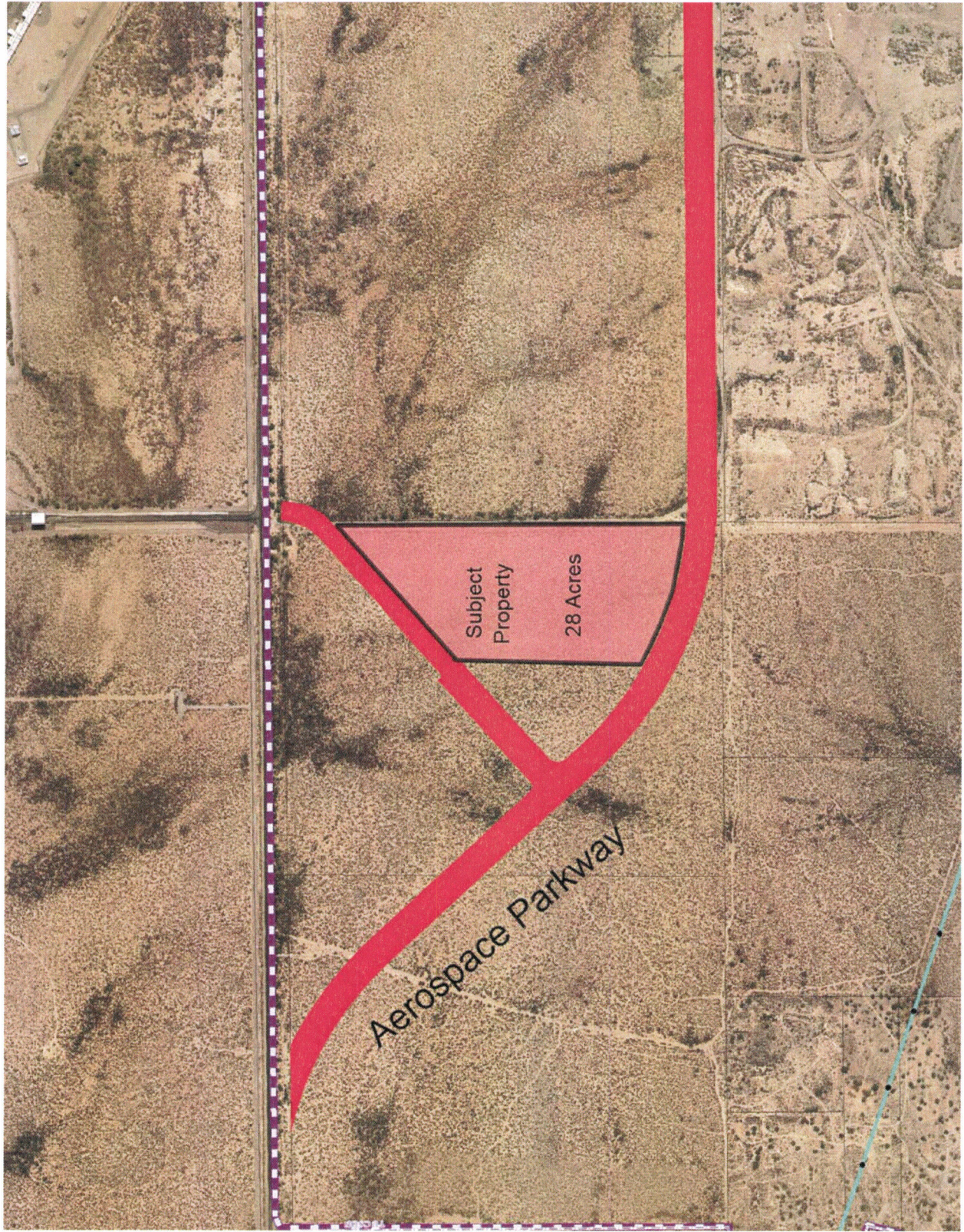
Sincerely,


C.H. Huckelberry
County Administrator

CHH/anc
Attachments

- c: The Honorable Ramon Valadez, District 2 Supervisor, Pima County Board of Supervisors
Dr. John Moffatt, Director, Pima County Office of Strategic Planning
Patrick Cavanaugh, Business Services Coordinator, Pima County Economic Development and Tourism

Exhibit 1: Proposed World View Headquarters



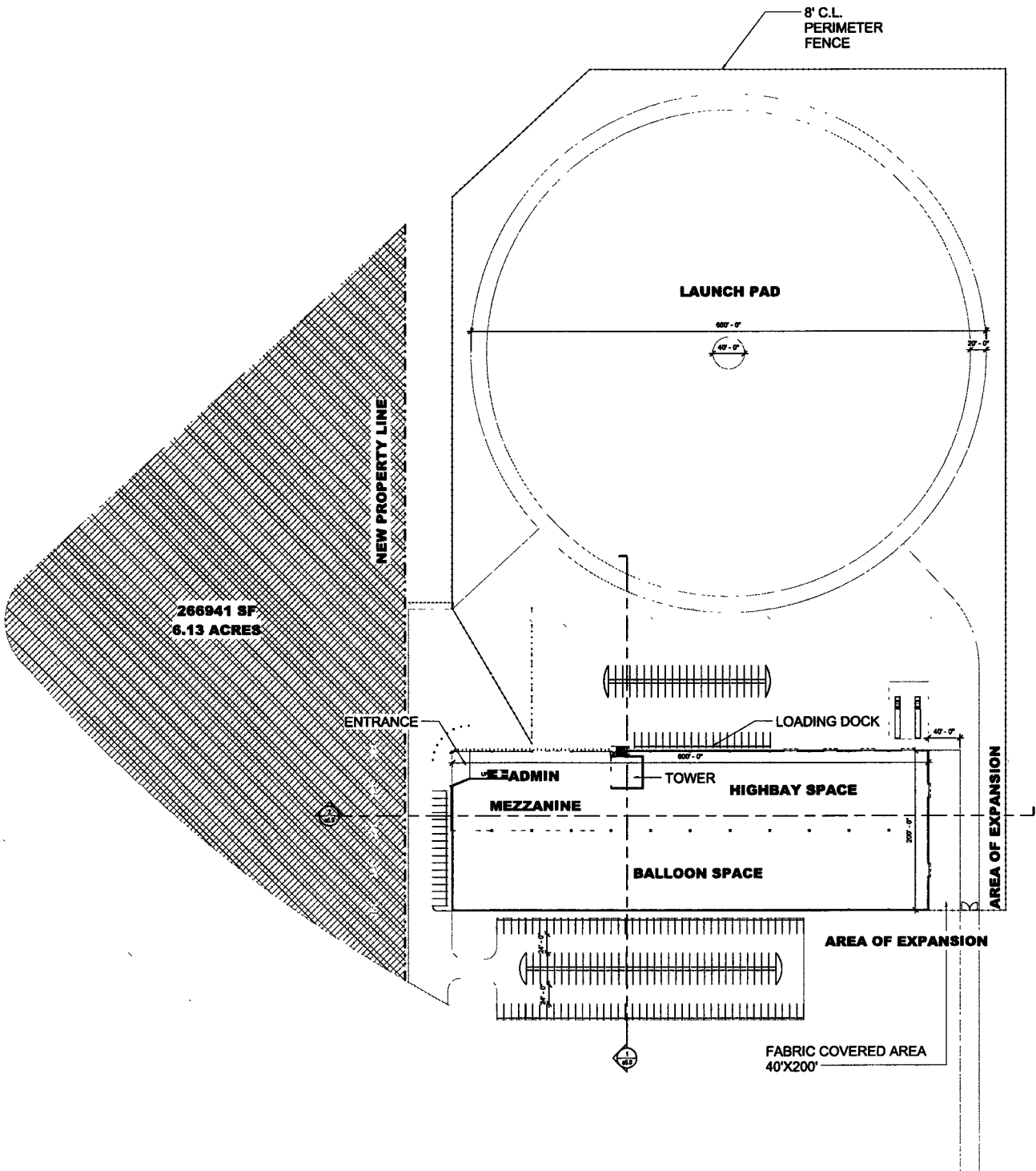
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Feet



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map are subject to Pima County's ITD GIS disclaimer and use restrictions.



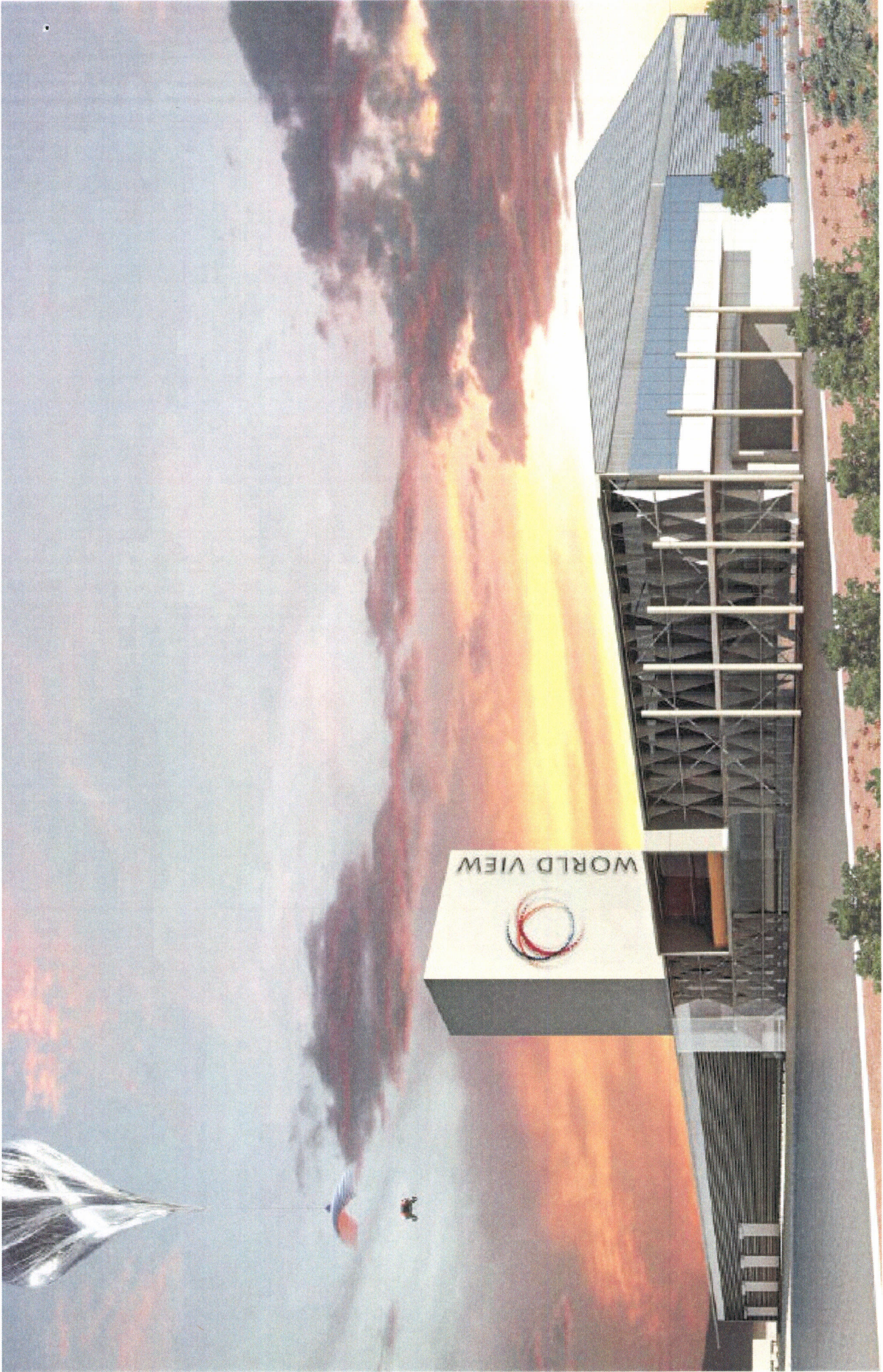


EXHIBIT 3